

HOUSE BILL NO. 662

INTRODUCED BY D. BROWN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A ONE-TIME PERMANENT MINIMUM BENEFIT
5 ALLOWANCE FOR MEMBERS OF THE TEACHERS' RETIREMENT SYSTEM WHO RETIRED WITH LESS
6 THAN 25 YEARS OF SERVICE; INCREASING EMPLOYER CONTRIBUTIONS; AMENDING SECTION
7 19-20-605, MCA; AND PROVIDING AN EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **NEW SECTION. Section 1. Minimum monthly benefit allowance -- less than 25 years' service.**

12 (1) A retired member of the retirement system who retired with less than 25 years of creditable service and who
13 on July 1, 2003, is receiving a service or disability retirement allowance that is less than \$600 is eligible to
14 receive a minimum monthly benefit allowance of \$24 a month multiplied by the member's total years of creditable
15 service at the time of retirement.

16 (2) A beneficiary or beneficiaries of a deceased retired member who retired with less than 25 years of
17 creditable service who on July 1, 2003, are receiving an optional service, disability, or survivorship allowance
18 that when added together is less than \$600 are eligible to receive a proportional share of a minimum monthly
19 benefit allowance of \$24 a month multiplied by years of creditable service.

20 (3) If on July 1, 2003, multiple beneficiaries are receiving benefits under a retired member's account,
21 the minimum monthly benefit must be divided in the same proportion as was the initial service, disability, or
22 survivorship allowance.

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24 **Section 2.** Section 19-20-605, MCA, is amended to read:

25 **"19-20-605. Pension accumulation fund -- employer's contribution.** The pension accumulation fund
26 is the fund in which the reserves for payment of retirement allowances and benefits must be accumulated and
27 from which retirement allowances and benefits must be paid to retirees or their beneficiaries. Contributions to
28 and payments from the pension accumulation fund must be made as follows:

29 (1) Each employer shall pay into the pension accumulation fund an amount equal to ~~7.47%~~ 7.62% of
30 the earned compensation of each member employed during the whole or part of the preceding payroll period.

1 (2) If the employer is a district or community college district, the trustees shall budget and pay for the
2 employer's contribution under the provisions of 20-9-501.

3 (3) If the employer is the superintendent of public instruction, a public institution of the state of Montana,
4 a unit of the Montana university system, or the Montana state school for the deaf and blind, the legislature shall
5 appropriate to the employer an adequate amount to allow the payment of the employer's contribution.

6 (4) If the employer is a county, the county commissioners shall budget and pay for the employer's
7 contribution in the manner provided by law for the adoption of a county budget and for payments under the
8 budget.

9 (5) All interest and other earnings realized on the money of the retirement system must be credited to
10 the pension accumulation fund, and the amount required to allow regular interest on the annuity savings fund
11 must be transferred to that fund from the pension accumulation fund.

12 (6) The retirement board may transfer from the pension accumulation fund to the expense fund an
13 amount necessary to cover expenses of administration."
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15 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
16 integral part of Title 19, chapter 20, part 7, and the provisions of Title 19, chapter 20, part 7, apply to [section 1].
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18 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2003.
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